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Amend claim 1 as follows:

1. A banknote validator comprising a banknote processing channel, a series of sensors located along said channel for scanning a banknote as it moves past said sensors, a central processing unit for controlling the operation of said validator and receiving and processing the signals from said sensors, and a removable memory storage arrangement insertable in a receiving location of said validator, said removable memory storage arrangement when received in said receiving location forming an electrical communication path with said central processing unit, said central processing unit including a testing procedure which evaluates the integrity of any received removable memory storage arrangement and said central processing unit downloading information from said received removable storage arrangement for operation thereof upon positive evaluation of the integrity of said removable memory storage arrangement and wherein the removable memory storage arrangement includes an electronic address available to the central processing unit and the electronic address is used as part of said testing procedure and wherein the removable flash memory module contains encrypted algorithms used by the central processing unit to evaluate banknotes for authenticity and the central processing unit includes decryption software for decoding the algorithms and storing the decoded algorithms in said central processing unit.

Amend claim 19 as follows:

19. A method of updating the criteria used to evaluate the authenticity of banknotes by a banknote validator having a banknote processing channel, a series of removable sensor modules located along said channel for scanning a banknote as it moves past said sensor modules, a central processing unit for

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controlling the operation of said validator and receiving and processing the signals from said sensor modules, and a receiving location for receiving a removable memory storage arrangement and allowing communication between said central processing unit and a received removable memory storage arrangement, said central processing unit including a testing procedure which evaluates the integrity of any received removable memory storage arrangement, said method comprising inserting a removable memory storage arrangement in said receiving arrangement and communicating with said central processing unit, conducting said test procedure using information provided to said central processing unit by said removable memory storage means to confirm the integrity thereof, and in response to confirmation of the integrity of said removable memory storage arrangement downloading information contained in said removable memory storage arrangement to said central processing unit thereby updating the criteria used to evaluate banknotes processed by the validator and including the step of replacing at least one sensor module with a new sensor module and wherein said central processing unit is updated to process the signal of said at least one new sensor module using said downloaded information.